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LITIGATION AGAINST CALIFORNIA STEM CELL PROJECT ENDS State Supreme Court Refuses Appeal of Constitutional Challenge

SAN FRANCISCO, May 16, 2007 – The California Supreme Court today declined to hear an appeal in the litigation challenging the constitutionality of Proposition 71, the California Stem Cell Research and Cures Act. The Court's decision effectively ends the lawsuits that have held up bond funding for the California Institute for Regenerative Medicine (CIRM), the state agency created to manage the stem cell project.

"More than two years ago, the people of California voted overwhelmingly to support stem cell research with \$3 billion in bond funds," said Robert N. Klein, chairman of the Independent Citizens Oversight Committee, the CIRM governing board. "The groups opposed to stem cell research immediately filed a constitutional lawsuit to block the funding of this critical frontier for medical research."

Faced with litigation that was intended to shut down all funding, Klein stated at the time, "Against all odds, we shall succeed. We have a moral obligation -- to every patient, to every family, to every Californian, to every American -- to succeed; and so we shall."

"It had to be demonstrated that litigation could not destroy the progress of every democratic mandate in this country; the funding had to proceed during the course of this litigation," Klein said today. "The agency's board, with the extraordinary support of the agency's staff, proceeded to fund \$158 million in stem cell research, representing 103 research grants at 23 non-profit research institutions and 169 research fellows at 16 universities, medical schools and research institutions. CIRM is now the largest source of funding for human embryonic stem cell research in the world."

Today's decision permits the state agency to immediately move into the next round of funding which will include up to \$48.5 million in shared laboratories grants and loans and \$222 million for major facilities at California's universities, research hospitals, medical schools, and research institutes.

"The voters' mandate will be fulfilled and the promise of stem cell research will be lifted to new heights with California's billions in funding focused on helping millions of children, husbands and wives, grandparents and friends in their struggle against chronic disease and injury," continued Klein. "California's fight against human suffering has achieved lift off. Today is a day of victory for all of those men and women who have dedicated their lives to medical research and the fight against chronic disease and injury, and it is a day of celebration for everyone with a loved one suffering from chronic disease or injury. We can only pray that the rest of the country

will now join California in dedicating the entire nation's medical resources to advance the stem cell frontier to therapies and cures for every patient.'

After losing at the Superior Court and Court of Appeals, plaintiffs in the litigation – the California Family Bioethics Council, along with the People's Advocate and National Tax Limitation Foundation, represented by the Life Legal Defense Foundation – filed petitions for review with the Supreme Court in April. The Court today denied those petitions.

Under California law, no additional litigation can further delay the issuance of general obligation bonds authorized by Proposition 71. "We will work closely with the State Treasurer in the coming weeks to prepare for the initial stem cell bond offering," said Klein. "We need to first repay the state and the private philanthropists who advanced funds to CIRM for research grants, then move forward aggressively with additional training, research and facility grants."

Governor Arnold Schwarzenegger authorized a \$150 million loan to the CIRM this past summer from the state's general fund. Another \$45 million came from 14 individuals and institutions through the purchase of bond anticipation notes (BANs).

About CIRM

Governed by the ICOC, the CIRM was established in 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Initiative. The statewide ballot measure, which provided \$3 billion in funding for stem cell research at California universities and research institutions, was approved by California voters, and called for the establishment of an entity to make grants and provide loans for stem cell research, research facilities, and other vital research opportunities. To date, the ICOC has approved 119 research grants totaling more than \$158 million. For more information, please visit www.cirm.ca.gov.

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